

# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

July 7, 2000

TRANSMITTED VIA FAX

(202) 424-7643 / ORIGINAL TO FOLLOW VIA U.S. MAIL

Mr. Eric J. Branfman, Esq.  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116

RE: Vits Networks, Inc. (Docket No. 00-00561)

Dear Mr. Branfman:

The Tennessee Regulatory Authority requests the following information regarding the Application of Vits Networks, Inc. ("Vits") for a Certificate of Public Convenience and Necessity to provide facilities-based local and resold local exchange services and interexchange telecommunications services throughout the State of Tennessee:

**Managerial Requirements:**

Please provide the following managerial information of the Company:

1. Degrees of all the managerial staff (BS, BA, MBA, etc.) accounting, engineering, etc.
2. Professional licenses: CPA, PE, etc.

**Financial Requirements:**

Provide the following financial information of the Company:

1. Three-year Projected Balance Sheet and a *GAAP* specified *Statement of Cash Flows* for the Applicant and/or parent Company.
2. TCA §65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, §65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. **Provide a statement outlining the Applicant's intent to abide by TCA §65-4-125 and provide a corporate surety bond by September 1, 2000 if applicable.**

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**Technical Requirements:**

Provide the following technical information of the Company:

1. Proposed location of switches-i.e., cities.
2. What are the special CPE (Customer Premise Equipment) requirements for customers, which would not be compatible with incumbent carriers?

**Miscellaneous Requirements:**

Provide the following miscellaneous requirements:

1. Applicant's involvement in pertinent mergers, acquisitions, etc.? Provide a chart showing the applicant's corporate structure.
2. Are customer deposits required? If yes, amount required? Is the applicant bonded for the amount of the deposits?
3. *Note:* A Wireline Activity Report should be submitted to the TRA on a monthly basis for approved applicants once service commences. This provides the TRA with information regarding the status of local telephone competition in Tennessee.

Please submit the requested information by July 18, 2000. If you have any questions, please contact this office at (615) 741-2904 (ext. 132).

Sincerely,



David Waddell

Executive Secretary

c:     Docket File  
         Joe Werner  
         Darlene Standley  
         Carsie Mundy